



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
TODD COUNTY FISCAL COURT**

Fiscal Year Ended June 30, 1999

**EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS
WWW.KYAUDITOR.NET**

**144 CAPITOL ANNEX
FRANKFORT, KY 40601
TELE. (502) 564-5841
FAX (502) 564-2912**

CONTENTS

PAGE

INDEPENDENT AUDITOR'S REPORT	1
TODD COUNTY OFFICIALS	3
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES ARISING FROM CASH TRANSACTIONS.....	7
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES	10
NOTES TO FINANCIAL STATEMENTS	12
COMPARATIVE SCHEDULE OF BUDGETED TO ACTUAL OPERATING REVENUE	17
SCHEDULE OF OPERATING REVENUE	20
COMPARATIVE SCHEDULE OF FINAL BUDGET AND BUDGETED EXPENDITURES.....	29
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	43
COMMENT AND RECOMMENDATION	47
APPENDIX A:	40
CERTIFICATION OF COMPLIANCE - LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAMS	



Edward B. Hatchett, Jr. Auditor of Public Accounts

To the People of Kentucky
Honorable Paul E. Patton, Governor
John P. McCarty, Secretary
Finance and Administration Cabinet
Mike Haydon, Secretary, Revenue Cabinet
Honorable Cecil S. Mallory, Jr., County Judge/Executive
Members of the Todd County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Todd County, Kentucky, as of June 30, 1999, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Todd County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Todd County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Todd County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of and for the year ended June 30, 1999, in conformity with the cash basis of accounting described above.

To the People of Kentucky
Honorable Paul E. Patton, Governor
John P. McCarty, Secretary
Finance and Administration Cabinet
Mike Haydon, Secretary, Revenue Cabinet
Honorable Cecil S. Mallory, Jr., County Judge/Executive
Members of the Todd County Fiscal Court

Our audit was performed for the purpose of forming an opinion on the financial statements of Todd County, Kentucky, taken as a whole. The information provided on the accompanying schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

Based on the results of our audit, we present a comment and recommendation, included herein, which discusses the following noncompliance:

- The Fiscal Court Should Adopt An Administrative Code In Proper Form

In accordance with Government Auditing Standards, we have also issued our report dated December 6, 1999 on our consideration of Todd County, Kentucky's compliance with certain provisions of laws, regulations, contracts, and grants, and internal control over financial reporting.

Respectfully submitted,



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
December 6, 1999

TODD COUNTY OFFICIALS

Fiscal Year Ended June 30, 1999

Cecil S. Mallory, Jr.	County Judge/Executive
Harold M. Johns	County Attorney
Billy Fowler	County Clerk
Mark Cowherd	Circuit Court Clerk
Dallas Orr	Sheriff
Boone Stokes	Jailer
Virgil Monroe	Property Valuation Administrator
Georgia Sanford	County Treasurer
Jimmy Shemwell	Coroner
Boone Thornhill	Magistrate
John F. Groves	Magistrate
Roy Addison, Jr.	Magistrate
Carl Templeman	Magistrate
James Turner, Jr.	Magistrate

STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

TODD COUNTY
STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 1999

Assets and Other Resources

Assets

General Fund:

Cash	\$ 57,851
Investments	269,617

Road and Bridge Fund:

Cash	78,792
Investments	269,617

Local Government Economic Assistance Fund:

Cash	5,652
------	-------

Ambulance Fund:

Cash	29,511
------	--------

Dispatch Fund:

Cash	55,720
------	--------

Timberland Tax Fund:

Cash	3,294
------	-------

Other Resources

Jail Fund:

Amounts to be Provided in Future Years for Jail Capital	
Lease Obligations - Principal Payments	101,000

Total Assets and Other Resources

	\$ 871,054
--	------------

The accompanying notes are an integral part of the financial statements.

TODD COUNTY
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS
June 30, 1999
(Continued)

Liabilities and Fund Balances

Liabilities

Jail Fund:

Capital Lease Obligation-Principal Payments (Note 4)	\$ 101,000
--	------------

Fund Balances

Reserved:

Ambulance Fund	29,511
Dispatch Fund	55,720
Timberland Tax Fund	3,294

Unreserved:

General Fund	327,468
Road and Bridge Fund	348,409
Local Government Economic Assistance Fund	<u>5,652</u>

Total Liabilities and Fund Balances	<u><u>\$ 871,054</u></u>
-------------------------------------	--------------------------

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

TODD COUNTY
STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 1999

<u>Cash Receipts</u>	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
Schedule of Operating Revenue	\$ 2,391,815	\$ 601,455	\$ 1,166,547	\$ 182,725
Transfers In	338,580	113,306		115,582
Timberland Tax	1,399			
Total Cash Receipts	<u>\$ 2,731,794</u>	<u>\$ 714,761</u>	<u>\$ 1,166,547</u>	<u>\$ 298,307</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 2,281,083	\$ 454,782	\$ 961,600	\$ 293,307
Transfers Out	338,580	225,274	110,497	
KACO Leasing Trust Principal Paid	5,000			5,000
Kentucky State Treasurer	1,454			
Total Cash Disbursements	<u>\$ 2,626,117</u>	<u>\$ 680,056</u>	<u>\$ 1,072,097</u>	<u>\$ 298,307</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ 105,677	\$ 34,705	\$ 94,450	\$ 0
Cash Balance - July 1, 1998*	<u>664,377</u>	<u>292,763</u>	<u>253,959</u>	
Cash Balance - June 30, 1999*	<u><u>\$ 770,054</u></u>	<u><u>\$ 327,468</u></u>	<u><u>\$ 348,409</u></u>	<u><u>\$ 0</u></u>

* Cash Balance Includes Investments

The accompanying notes are an integral part of the financial statements.

TODD COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
Fiscal Year Ended June 30, 1999
(Continued)

Local Government Economic Assistance Fund	Federal Grant Fund	Ambulance Fund	Dispatch Fund	Solid Waste Fund	Timberland Tax Fund
\$ 57,486 2,809	\$ 5,000	\$ 183,792 52,500	\$ 110,344	\$ 84,466 54,383	\$ 1,399
\$ 60,295	\$ 5,000	\$ 236,292	\$ 110,344	\$ 138,849	\$ 1,399
\$ 57,486 2,809	\$ 5,000	\$ 259,146	\$ 110,913	\$ 138,849	\$ 1,454
\$ 60,295	\$ 5,000	\$ 259,146	\$ 110,913	\$ 138,849	\$ 1,454
\$ 0 5,652	\$ 0	\$ (22,854) 52,365	\$ (569) 56,289	\$ 0	\$ (55) 3,349
\$ 5,652	\$ 0	\$ 29,511	\$ 55,720	\$ 0	\$ 3,294

The accompanying notes are an integral part of the financial statements.

TODD COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 1999

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Todd County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the application of the criteria stated in GASB 14, there are no component units which merit consideration as part of the reporting entity

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

C. Basis of Accounting

The financial statements were prepared on a cash basis of accounting pursuant to Kentucky Revised Statute (KRS) 68.210 as recommended by the State Local Finance Officer. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

D. Legal Compliance-Budget

The Todd county budget is adopted on a cash basis of accounting and laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

E. Cash and Investments

Cash which includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

TODD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

Note 1. (Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 8.22 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits and Investments

A. Deposits

The county maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480 (1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met, and as of June 30, 1999, the county's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the county's agent in the county's name, or provided surety bond which named the county as beneficiary/obligee on the bond.

TODD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

Note 4. Long-Term Debt

The county entered into a lease agreement with Kentucky Association of Counties Leasing Trust for construction on the Todd County Jail. The agreement required a monthly interest payment and a semi-annual principal payment on January 20, and July 19. The total principal balance of the agreement is \$101,000, on June 30, 1999. Remaining lease requirements are:

<u>Due Date</u>	<u>Scheduled Interest</u>	<u>Scheduled Principal</u>
2000	\$ 7,185	\$ 5,000
2001	6,791	6,000
2002	6,325	7,000
2003	5,817	7,000
2004	5,308	7,000
2005	4,770	8,000
2006	4,158	9,000
2007	3,505	9,000
2008	2,821	10,000
2009	2,094	10,000
2010-2011	<u>1,846</u>	<u>23,000</u>
Totals	<u>\$ 50,620</u>	<u>\$ 101,000</u>

Note 5. Lease-Purchase Agreements

The county has entered into the following lease-purchase agreement:

<u>Description</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Tool Carrier	12/10/1996	1/20/2002	4.67%	\$ 31,000

Note 6. Insurance

For the fiscal year ended June 30, 1999, Todd County was a member of the Kentucky Association of Counties' All Lines Insurance Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

TODD COUNTY
COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 1999

<u>Budgeted Funds</u>	<u>Budgeted Operating Revenue</u>	<u>Actual Operating Revenue</u>	<u>Over (Under) Budget</u>
General Fund	\$ 391,484	\$ 601,455	\$ 209,971
Road and Bridge Fund	995,427	1,166,547	171,120
Jail Fund	298,878	182,725	(116,153)
Local Government Economic Assistance Fund	57,486	57,486	
Federal Grant Fund	5,000	5,000	
Ambulance Fund	265,169	183,792	(81,377)
Dispatch Fund	116,700	110,344	(6,356)
Solid Waste Fund	142,800	84,466	(58,334)
Totals	<u>\$ 2,272,944</u>	<u>\$ 2,391,815</u>	<u>\$ 118,871</u>

Reconciliation:

Total Budgeted Operating Revenue Above	\$ 2,272,944
Add: Budgeted Prior Year Surplus	108,050
Less: Other Financing Uses	<u>(5,000)</u>
Total Operating Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures	<u>\$ 2,375,994</u>

THIS PAGE LEFT BLANK INTENTIONALLY

SCHEDULE OF OPERATING REVENUE

TODD COUNTY
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 1999

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<hr/>				
Revenue From Local Taxes <u>and Excess Fees</u>				
Sheriff:				
Taxes	\$ 190,711	\$ 190,711	\$	\$
Excess Fees - 1998	4,119	4,119		
County Clerk:				
Deed Transfer Tax	21,182	21,182		
Delinquent Taxes	3,781	3,781		
Excess Fees - 1998	35,766	35,766		
Tangible Personal Property Taxes:				
Other Counties	5,377	5,377		
County Clerk	36,521	36,521		
Omitted State Taxes	1,558	1,558		
Franchise Corporation	49,700	49,700		
Entertainment Tax	27,727	27,727		
In Lieu of Taxes:				
Tennessee Valley Authority	58,125	58,125		
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	\$ 434,567	\$ 434,567	\$ 0	\$ 0
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Federal Receipts - State Treasurer</u>				
Community Development Block Grant - Senior Citizen Fund	\$ 5,000	\$	\$	\$
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Kentucky State Treasurer</u>				
Jail:				
Allotments	\$ 25,227	\$	\$	\$ 25,227
Medical Allotments	11,991			11,991
Driving Under The Influence Fees	2,457			2,457
Housing State Prisoners	126,901			126,901
Court Costs, Jail Operation	4,880			4,880

TODD COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1999
(Continued)

Local Government Economic Assistance Fund	Federal Grants Fund	Ambulance Fund	Dispatch Fund	Solid Waste Fund
\$	\$	\$	\$	\$
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$	\$ 5,000	\$	\$	\$
\$	\$	\$	\$	\$

TODD COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1999
(Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Kentucky State Treasurer</u>				
(Continued)				
Jail: (Continued)				
Juvenile Housing Per Diem	\$ 980	\$	\$	\$ 980
County Road Aid	669,209		669,209	
Public Defender Allotment	15,444	15,444		
Truck License Distribution	161,449		161,449	
Recouped Public Defender Fees	1,990	1,990		
Courthouse Rental - Administrative				
Office of the Courts	30,618	30,618		
Refunds:				
Drivers Licenses	1,136		1,136	
Election Expense	5,610	5,610		
State Insurance Reimbursement	2,500	2,500		
Sheriff's Bond Premium	102	102		
Severance Taxes:				
Mineral	57,486			
Board of Assessments	200	200		
Grants:				
Disaster and Emergency Services:				
Reimbursement	1,292	1,292		
Ambulance	24,783			
Transportation Cabinet	295,000		295,000	
Totals	\$ 1,439,255	\$ 57,756	\$ 1,126,794	\$ 172,436

Miscellaneous Revenue

Interest	\$ 54,469	\$ 25,981	\$ 25,981	\$
Circuit Court Clerk:				
Boarding Fees-Juveniles	1,700			1,700
Home Incarceration	3,620			3,620
Work Release	1,390			1,390
Licenses and Permits:				
Cable TV Franchise	264	264		

Local Government Economic Assistance Fund	Federal Grants Fund	Ambulance Fund	Dispatch Fund	Solid Waste Fund
\$	\$	\$	\$	\$
57,486		24,783		
\$ 57,486	\$ 0	\$ 24,783	\$ 0	\$ 0
\$	\$	\$ 2,507	\$	\$

TODD COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1999
(Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Miscellaneous Revenue</u>				
(Continued)				
Charges for Services:				
Garbage Collection	\$ 40,355	\$	\$	\$
Garbage Hauling	42,700			
Emergency 911	86,744			
Dispatch Services	23,600			
Ambulance Service	112,381			
Ambulance Sponsorships	42,650			
Ambulance Donations	400			
Vending Machine	220	220		
Telephone Commission	3,347	168		3,179
Surplus Machinery and Equipment				
Sales	1,350	279		
Advertising	96	96		
Road Material Sales	12,172		12,172	
Courthouse Rental	9,000	9,000		
Insurance Proceeds	6,116	3,105	1,600	
Hudson Brothers Reimbursement	70,000	70,000		
Miscellaneous Items	419	19		400
Totals	\$ 512,993	\$ 109,132	\$ 39,753	\$ 10,289
Total Operating Revenue	<u>#REF!</u>	<u>#REF!</u>	<u>#REF!</u>	<u>#REF!</u>

TODD COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1999
(Continued)

Local Government Economic Assistance Fund	Federal Grants Fund	Ambulance Fund	Dispatch Fund	Solid Waste Fund
\$	\$	\$	\$	\$ 40,355
				42,700
			86,744	
			23,600	
		112,381		
		42,650		
		400		
		1,071		
				1,411
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 159,009</u>	<u>\$ 110,344</u>	<u>\$ 84,466</u>
<u>#REF!</u>	<u>#REF!</u>	<u>#REF!</u>	<u>#REF!</u>	<u>#REF!</u>

THIS PAGE LEFT BLANK INTENTIONALLY

COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

TODD COUNTY
COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1999

	<u>Final</u> <u>Budget</u>	<u>Budgeted</u> <u>Expenditures</u>	<u>Under</u> <u>(Over)</u> <u>Budget</u>
<u>GENERAL FUND</u>			
<u>General Government</u>			
Office of County Judge/Executive:			
Salaries-			
County Judge/Executive	\$ 53,691	\$ 53,250	\$ 441
Secretaries	20,571	20,571	
Temporary Help	1,000	77	923
Office Materials and Supplies	1,557	1,557	
Bond	81	81	
Telephone	1,000	960	40
Travel	1,000		1,000
Office of County Attorney:			
Salaries-			
County Attorney	6,250	6,250	
Secretaries	7,306	7,306	
Utilities	1,315	1,315	
Office of County Clerk:			
County Clerk Salary	1,200	1,200	
Tax Bill Preparation	2,600	942	1,658
Office of Sheriff:			
Advertising Tax Bills	2,393	2,393	
Bond	400	356	44
Materials and Supplies	500	256	244
Uniforms	310		310
Postage	2,016	2,016	
Telephone	3,208	3,208	
Vehicle Repair	1,056	1,056	
Transporting Prisoners	4,643	4,643	

TODD COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
Office of Coroner:			
County Coroner	\$ 6,748	\$ 6,748	\$
Deputy Coroner	2,663	2,606	57
Autopsies and Attendant Service	1,330	1,330	
Training	800		800
Fiscal Court:			
Magistrates Salaries	49,967	49,967	
Expense Allowance	2,270	2,270	
Office of Property Valuation Administrator:			
Statutory Contribution	13,324	13,120	204
Office of Board of Assessment Appeals:			
Per Diem	400	400	
Office of County Treasurer:			
County Treasurer Salary	9,408	9,327	81
Advertising	1,400	1,168	232
Bond	300	294	6
Office Materials and Supplies	500	463	37
County Law Library:			
Law Librarian Salary	600	600	
Elections:			
Per Diem-			
Election Commissioners	600	440	160
Election Officers	7,415	7,415	
Rental Polling Places	600	600	
Prepare Voting Machines	1,500	1,500	
Advertising	1,000	668	332
Printing	16,193	15,840	353
Voting Machines	10,100	10,080	20

TODD COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
Courthouse:			
Janitor Salary	\$ 9,048	\$ 9,048	\$
Custodial Supplies	4,000	2,984	1,016
Renewals and Repairs	17,000	13,708	3,292
Utilities	31,000	27,580	3,420
<u>Protection to Persons and Property</u>			
Disaster and Emergency Services:			
Director Salary	2,400	2,400	
Distributions	1,000	821	179
Office of Public Defender:			
Contribution	17,434	17,434	
<u>General Health and Sanitation</u>			
Dog Control:			
Contract with Government Agency	2,100	2,100	
Medical Services	300		300
<u>Administration</u>			
General Services:			
Auditing Services	12,000	6,554	5,446
Contributions	1,200	1,200	
Insurance-			
Building and Equipment	6,000	6,000	
Errors and Omissions	2,500	2,500	
Liability	9,000	9,000	
Magistrate Association Dues	500	500	
Area Development District Dues	2,837	2,837	
Kentucky Association of Counties Dues	800	800	
Hudson Brothers	70,000	70,000	
Miscellaneous	1,000	342	658

TODD COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>Administration</u> (Continued)			
Fringe Benefits:			
County Contributions-			
Social Security	\$ 17,000	\$ 15,078	\$ 1,922
Retirement	20,000	19,531	469
Health Insurance	5,000	4,005	995
Medicare	4,500	3,600	900
Worker's Compensation	8,000	3,775	4,225
Unemployment Insurance	8,000	712	7,288
Total General Fund	<u>\$ 491,834</u>	<u>\$ 454,782</u>	<u>\$ 37,052</u>

ROAD AND BRIDGE FUND

Roads

Road Maintenance:			
Salaries-			
Road Foreman	\$ 28,550	\$ 28,549	\$ 1
Road Labor	142,609	142,609	
Asphalt	533,729	520,912	12,817
Crushed Stone and Gravel	96,786	96,786	
Contracted Construction	5,000	1,850	3,150
Diesel Fuel	18,000	14,540	3,460
Custodial Supplies	600	340	260
General Construction Materials	17,720	17,720	
Machinery and Equipment-			
Repairs	20,000	18,840	1,160
New Road Machinery	3,000	2,562	438
Rental	4,316	1,135	3,181
Pipe	34,338	34,338	
Tires and Tubes	10,485	10,485	
Legal Notices	200	47	153
Telephone	1,000	997	3
Office Materials and Supplies	400	281	119
Utilities	3,500	2,015	1,485
Laundry	400	195	205
Building Repair	1,000	510	490

TODD COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND</u> (Continued)			
<u>Debt Service</u>			
Other County Liabilities:			
Lease-Purchase Agreement	\$ 10,000	\$ 10,000	\$
Interest	2,100	1,722	378
<u>Administration</u>			
General Services:			
Auditing Services	4,000	1,983	2,017
Insurance-			
Building and Contents	2,126	2,068	58
Errors and Omissions	800	800	
Liability	6,428	6,428	
Vehicle and Equipment	7,126	7,126	
Miscellaneous	1,000	350	650
Fringe Benefits:			
County Contributions-			
Retirement	15,000	13,234	1,766
Social Security	11,000	9,942	1,058
Health Insurance	2,000	1,872	128
Medicare	2,400	2,325	75
Worker's Compensation	9,814	9,039	775
Total Road and Bridge Fund	<u>\$ 995,427</u>	<u>\$ 961,600</u>	<u>\$ 33,827</u>

JAIL FUND

Protection to Persons and Property

Office of Jailer:			
Personnel Services-			
Salaries-			
Jailer	\$ 45,963	\$ 45,931	\$ 32
Jail Personnel	96,628	96,628	

TODD COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND</u> (Continued)			
<u>Protection to Persons and Property</u> (Continued)			
Operations-			
Cleaning Supplies	\$ 482	\$ 482	\$
Food	54,000	53,956	44
Food Service Equipment	556	556	
Contract with Other Counties-Juvenile	9,082	9,082	
Gasoline	386	386	
Jail Linens	1,020	1,020	
Office Supplies	1,000	939	61
Prisoner Clothing	185	185	
Prisoner Hygiene	810	810	
Routine Medical	15,374	15,374	
Staff Uniforms	433	400	33
Staff Training	1,081	1,081	
Staff Travel	1,080	743	337
Telephone	2,205	2,205	
Vehicle Maintenance	1,095	1,095	
Housing Prisoners-Other Counties	15,862	15,862	
Utilities	8,814	8,814	
Maintenance-Repairs	98	98	
Maintenance-Renewals	1,034	1,034	
Miscellaneous Operating Expense	1,000	975	25
<u>Debt Service</u>			
Jail Capital Lease Obligation:			
Interest	6,509	6,509	
<u>Administration</u>			
General Services:			
Insurance-			
Building	1,100	1,100	
Errors and Omissions	200	200	
Liability	2,750	2,750	
Vehicle	700	700	
Association Dues	200	200	

TODD COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND</u> (Continued)			
<u>Administration</u> (Continued)			
Fringe Benefits:			
County Contributions-			
Retirement	\$ 9,273	\$ 9,273	\$
Social Security	8,421	8,421	
Health Insurance	934	933	1
Medicare	2,003	1,970	33
Worker's Compensation	3,600	3,595	5
Total Operating Budget	\$ 293,878	\$ 293,307	\$ 571
Other Financing Uses:			
Jail Capital Lease Obligation-			
Principal	5,000	5,000	
Total Jail Fund	\$ 298,878	\$ 298,307	\$ 571
LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND			
<u>Protection to Persons and Property</u>			
Office of Public Defender:			
Public Advocacy Program	\$ 1,368	\$ 1,368	\$
<u>General Health and Sanitation:</u>			
Solid Waste Collection:			
Carcass Removal	5,713	5,713	
<u>Social Services:</u>			
Senior Citizens Programs			
Telephone	746	746	

TODD COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND (Continued)			
<u>Recreation and Culture</u>			
Parks:			
Contribution	\$ 400	\$ 400	\$
<u>Transportation Facilities and Services</u>			
Airport Maintenance	1,500	1,500	
Bridges	31,234	31,234	
<u>Roads</u>			
Road Maintenance:			
General Construction Materials	13,925	13,925	
<u>Administration</u>			
Contracted Services:			
Pennyrile Narcotics Task Force	2,600	2,600	
Total Local Government Economic Assistance Fund	\$ 57,486	\$ 57,486	\$ 0
<u>FEDERAL GRANTS FUNDS</u>			
<u>Capital Projects</u>			
Building:			
Senior Citizens	\$ 5,000	\$ 5,000	\$
Total Federal Grants Fund	\$ 5,000	\$ 5,000	\$ 0

TODD COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>AMBULANCE FUND</u>			
<u>Protection to Persons and Property:</u>			
Ambulance Service:			
Salaries	\$ 152,661	\$ 151,062	1,599
Advertising	223	20	203
Contract with Private Agency	1,683	1,683	
Janitorial Services	200		200
Laundry Services	1,200	1,191	9
Maintenance-			
Radio	500	123	377
Vehicle	2,246	2,246	
Custodial Supplies	651	651	
Diesel Fuel	3,173	2,361	812
Office Supplies	610	610	
Tires	1,000	183	817
Uniforms	366	366	
Medical Supplies	4,218	4,218	
Postage	1,233	1,233	
Printing	500	120	380
Refunds	365	172	193
Building Repairs	461	461	
Telephone	1,500	1,449	51
Utilities	5,062	4,915	147
Communication Equipment	500	300	200
Vehicle	53,819	53,400	419
<u>Administration</u>			
General Services:			
Insurance-			
Buildings and Contents	300	218	82
Errors and Omissions	1,000	980	20
Liability	1,100	1,100	
Vehicle and Equipment	2,000	1,974	26
Miscellaneous	89	89	

TODD COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>AMBULANCE FUND</u> (Continued)			
<u>Administration</u> (Continued)			
Fringe Benefits:			
Social Security	\$ 9,300	\$ 8,980	\$ 320
Retirement	8,340	8,296	44
Medical Insurance	885	861	24
Medicare	2,200	2,100	100
Workman's Compensation	7,784	7,784	
Total Ambulance Fund	<u>\$ 265,169</u>	<u>\$ 259,146</u>	<u>\$ 6,023</u>

DISPATCH FUND

Protection to Persons and Property

Emergency Dispatch Services:			
Dispatch Salaries	\$ 62,000	\$ 61,107	\$ 893
Contracts with Private Agencies	30,100	30,094	6
Maintenance and Repairs-			
Building	1,073	1,073	
Equipment	1,000	242	758
Custodial Supplies	800	388	412
Office Supplies	500	384	116
Printing	400	126	274
Telephone	4,000	3,111	889
Training	188		188
Utilities	3,000	2,990	10
Communication Equipment	1,800	1,800	

Administration

General Services:			
Insurance-			
Building and Contents	313	255	58
Liability	300	300	
Equipment	600	600	
Miscellaneous	139		139

TODD COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>DISPATCH FUND</u> (Continued)			
<u>Administration</u> (Continued)			
Fringe Benefits:			
Social Security	\$ 3,800	\$ 3,695	\$ 105
Retirement	3,200	2,322	878
Health Insurance	1,000	75	925
Medicare	1,000	864	136
Workman's Compensation	1,487	1,487	
Total Dispatch Fund	<u>\$ 116,700</u>	<u>\$ 110,913</u>	<u>\$ 5,787</u>

SOLID WASTE FUND

General Health and Sanitation:

Solid Waste Collection:

Salaries-			
Truck Drivers	\$ 15,420	\$ 12,566	\$ 2,854
Attendants	8,807	8,808	(1)
Contracted Services	100,000	97,967	2,033
Maintenance and Repairs-			
Equipment	1,500	197	1,303
Vehicle	2,154	2,154	
Diesel Fuel	5,580	5,580	
Tires	1,755	369	1,386
Utilities	1,200	1,011	189
New Equipment	5,000	4,095	905
Buildings and Construction	1,000		1,000

Administration

General Services:

Insurance-			
Liability	300	300	
Vehicle	700	658	42
Miscellaneous	1,000	74	926

TODD COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>SOLID WASTE FUND</u> (Continued)			
<u>Administration</u> (Continued)			
Fringe Benefits:			
Social Security	\$ 1,600	\$ 1,259	\$ 341
Retirement	1,600	1,033	567
Medicare	400	294	106
Workman's Compensation	2,484	2,484	
Total Solid Waste Fund	\$ 150,500	\$ 138,849	\$ 11,651
Total Operating Budget-All Funds	\$ 2,375,994	\$ 2,281,083	\$ 94,911
Other Financing Uses:			
Jail Capital Lease Obligation Principal	5,000	5,000	
TOTAL BUDGET - ALL FUNDS	\$ 2,380,994	\$ 2,286,083	\$ 94,911

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



Edward B. Hatchett, Jr. Auditor of Public Accounts

Honorable Cecil S. Mallory, Jr., County Judge/Executive
Members of the Todd County Fiscal Court

Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Todd County, Kentucky, as of and for the year ended June 30, 1999, and have issued our report thereon dated December 6, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Todd County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Todd County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

Honorable Cecil S. Mallory, Jr., County Judge/Executive
Members of the Todd County Fiscal Court
Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards
(Continued)

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified party. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
December 6, 1999

COMMENT AND RECOMMENDATION

TODD COUNTY
COMMENT AND RECOMMENDATION

Fiscal Year Ended June 30, 1999

The Fiscal Court Should Adopt An Administrative Code In Proper Form

The fiscal court has not adopted an administrative code in the form required by KRS 68.005. The required areas to be addressed are as follows:

- a) General administration of the office of county judge executive, county administrative agencies, and public authorities;
- b) Administration of county fiscal affairs including budget formulation, receipt and disbursement of county funds, preparation of records for the county audit and the filing of claims against the county;
- c) Personnel administration including description and classification of nonelected positions, selection, assignment, supervision and discipline of employees, employee complaints, and county affirmative program;
- d) County purchasing as award of contracts; and
- e) Delivery of county services.

County Judge/Executive's Response:

This has been presented to the fiscal court before. We will try again.

PRIOR YEAR FINDING

The fiscal court did not adopt an administrative code in proper form. This finding was not corrected and is discussed above.

THIS PAGE LEFT BLANK INTENTIONALLY

**CERTIFICATION OF COMPLIANCE – LOCAL
GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAMS**

TODD COUNTY FISCAL COURT

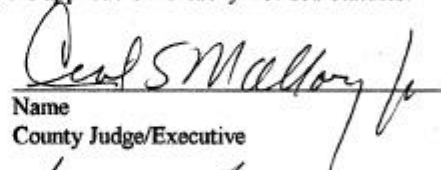
Fiscal Year Ended June 30, 1999

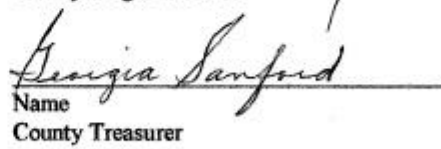
CERTIFICATION OF COMPLIANCE

LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAMS

TODD COUNTY FISCAL COURT

The Todd County Fiscal Court hereby certifies that assistance received from the Local Government Economic Development Program and Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.


Name
County Judge/Executive


Name
County Treasurer